

By: Thompson of Brazoria

H.B. No. 3208

A BILL TO BE ENTITLED

AN ACT

relating to the refund of premiums on the cancellation of Texas
Windstorm Insurance Association policies by insureds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2210.204, Insurance Code, is amended by
amending Subsection (d) and adding Subsections (d-1) and (d-2) to
read as follows:

(d) If an insured requests cancellation of the insurance
coverage, the association shall refund the unearned premium only if
the cancellation was for one of the following reasons:

(1) the purchase of similar coverage in the voluntary
market;

(2) sale of the insured property to an unrelated
party;

(3) total loss of the insured property; or

(4) a determination by the association that the
insured property is no longer insurable under the association's
rules and procedures~~[, less any minimum retained premium set forth~~
~~in the plan of operation, payable to the insured and the holder of~~
~~an unpaid balance]~~. The property and casualty agent who received a
commission as the result of the issuance of an association policy
providing the canceled coverage shall refund the agent's commission
on any unearned premium in the same manner.

(d-1) An insured must provide proof in the form and manner

1 prescribed by the association of a cancellation reason described by
2 Subsection (d)(1), (2), or (3) to be eligible for a refund under
3 that subsection.

4 (d-2) If an insured requests cancellation for a reason other
5 than a reason described by Subsection (d) or fails to provide proof
6 under Subsection (d-1), the insured's premium is considered earned
7 and is not refundable.

8 SECTION 2. The change in law made by this Act applies only
9 to a Texas windstorm and hail insurance policy that is delivered,
10 issued for delivery, or renewed by the Texas Windstorm Insurance
11 Association on or after the effective date of this Act. A policy
12 delivered, issued for delivery, or renewed before the effective
13 date of this Act is governed by the law as it existed immediately
14 before that date, and that law is continued in effect for that
15 purpose.

16 SECTION 3. This Act takes effect September 1, 2023.